

VIRGINIA:

BOOK 537 PAGE 737

BEFORE THE VIRGINIA GAS AND OIL BOARD

CORRECTION OF SCRIVENER'S
ERROR IN AMENDED SUPPLEMENTAL ORDER
REGARDING ELECTIONS
OAKWOOD UNIT: O-40
(hereinafter "Subject Drilling Unit")

DOCKET NO. VGOB-93-0420-0361-01

REPORT OF BOARD

FINDINGS AND ORDER

1. The Board enters this order to correct scrivener's errors contained in that certain "Amended Supplemental Order Amending Prior Orders Affecting Drilling Unit O-40 located in the Oakwood Coalbed Methane Gas Fields I and II, Buchanan County, VA (herein "Subject Drilling Unit") to Provide: (1) for the Calculation of Those Funds Unit Operator Deposited into the Escrow Account for VGOB Tract 2 of Subject Drilling Unit; (2) to Provide to Applicants a Royalty Accounting; and (3) Disbursement to Clyborne and Reserve in Accordance with their Royalty Agreement Those Funds Deposited by the Unit Operator Into Subject Drilling Unit's Escrow Account for VGOB Tract 2 (herein "Amended Supplemental Order"). This order shall be attached to and made a part of the Amended Supplemental Order which was entered by the Board on October 3, 2001.
2. Findings: The Board finds that:
 - (a) By order issued by the Board in for subject docket on June 23, 1993 and recorded at Deed Book 410, Page 763 in the Office of the Clerk of the Circuit Court, Buchanan County, Virginia on July 1, 1993, the Board pooled all the rights, interests and estates in and to the Coalbed Methane Gas in Subject Drilling Unit ("Pooling Order").
 - (b) The Pooling Order named Pocahontas Gas Partnership as the operator of Subject Drilling Unit ("Unit Operator").
 - (c) To complete the record regarding the elections made by respondents in accordance with the terms of the Pooling Order, on April 25, 1994 the Board entered its Supplemental Order Regarding Elections, Unit: O-40 which was recorded on May 20, 1994 in Deed Book 422 at Page 461 ("Supplemental Order").
 - (d) On October 3, 2001, the Board entered the Amended Supplemental Order, which amended both the Pooling Order and the Supplemental Order.
 - (e) It has come to the attention of the Board that there are a number of scrivener's errors in the Supplemental Order that need correction.
3. Order: By this Order, The Board corrects the following scrivener's error in Amended Supplemental Order:
 - (a) Paragraph 4.6 of the Amended Supplemental Order is deleted in toto and replaced with the following language:

On June 4, 2001 the Unit Operator filed with the Board an affidavit entitled *Affidavit of Pocahontas Gas Partnership (herein "Designated Operator") Regarding Settlement Agreement Reached by Conflicting Claimants to Royalty Payable on Production from or Allocated to Tract 2, Unit O-40 . . . and Escrow Pertaining to Said Tract[s] in the Subject Drilling Unit[s]*, a copy of which is attached hereto. The Affidavit clarified that the oil and gas ownership in half of VGOB Tract 2 is held by Ronald A. Clyborne, the party to the Royalty Split Agreement, and not Clyborne, Inc., as originally reflected in the Pooling Order.

- (b) Paragraph 5.2(1) of the Amended Supplemental Order is deleted in toto and replaced with the following language:

Reserve is the sole owner of half of the coal estate underlying VGOB Tract 2 of the Subject Drilling Unit;

- (c) Paragraph 5.2(2) of the Amended Supplemental Order is deleted in toto and replaced with the following language:

Clyborne is the sole owner of half of the oil and gas estate underlying VGOB Tract 2 of the Subject Drilling Unit;

- (d) Paragraph 5.2(3) of the Amended Supplemental Order is deleted in toto and replaced with the following language:

That together Reserve and Clyborne claim to have and own, in the aggregate, the following Gas royalty interest in Subject Drilling Unit by virtue of their respective ownership interests in Tract 2:

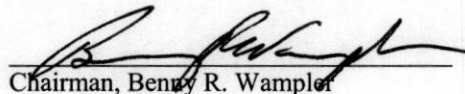
VGOB Tract #	Acres in Unit	Percent of Unit	Escrowed Funds Attributable To Reserve's/Clyborne's Conflicting Interests in Tract 2 as of 02/25/01
2	7.52	9.40000%	\$5,064.71

- (e) Paragraph 5.2(4) of the Amended Supplemental Order is deleted in toto and replaced with the following language:

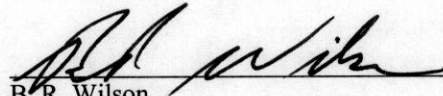
That Reserve and Clyborne have entered into an agreement whereby they have agreed to split on a 50/50 basis royalties attributable to their conflicting claims to coalbed methane gas, including but not limited to their conflicting claims to ownership of coalbed methane gas underlying VGOB Tract 2 of Subject Drilling Unit and their conflicting claims to bonuses and/or royalties deposited by the Unit Operator in the Escrow Account which are attributable to said tract.

4. Mailing of Order and Filing of Affidavit: The Unit Operator or its Attorney shall file an affidavit with the Secretary of the Board within ten (10) days after the date of receipt of this Order stating that true and correct copy of this Order has been sent to each person whose interest or claim is subject to escrow and whose address is known.
5. Conclusion: Therefore, the findings and all terms and provisions set forth above be and hereby are granted and IT IS SO ORDERED.
6. Effective Date: This Order shall be effective as of October 31, 2001, the date the Amended Supplemental Order was entered by the Board.

DONE AND EXECUTED this 20th day of December, 2001 by a majority of the Virginia Gas and Oil Board.

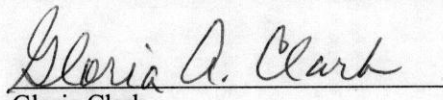

Chairman, Benny R. Wampler

DONE AND PERFORMED this 10th January, 2002 day of ~~December, 2001~~ by Order of this Board.


B. R. Wilson
Principal Executive to the Staff
Virginia Gas and Oil Board

STATE OF VIRGINIA)
COUNTY OF WISE)

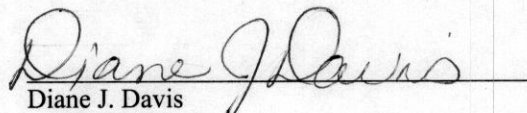
Acknowledged on this _____ day of December, 2001, personally before me a notary public in and for the Commonwealth of Virginia, appeared Benny R. Wampler, being duly sworn did depose and say that he is Chairman of the Virginia Gas and Oil Board, that he executed the same and was authorized to do so.


Gloria Clark
Notary Public

My commission expires: 12/31/2003

STATE OF VIRGINIA)
COUNTY OF WASHINGTON)

Acknowledged on this 10th January, 2002 day of ~~December, 2001~~, personally appeared before me a notary public in and for the Commonwealth of Virginia, appeared B. R. Wilson, being duly sworn did depose and say that he is Principal Executive to the Staff Virginia Gas and Oil Board, that he executed the same and was authorized to do so.


Diane J. Davis
Notary Public

My commission expires: 9/30/2005